



BARRISTERS  
SOLICITORS  
TRADE-MARK AGENTS

**THE 19<sup>TH</sup> ANNUAL  
CHURCH & CHARITY LAW™ SEMINAR**  
Toronto – November 15, 2012

Use It or Lose It: How Churches and Charities  
Can Protect Their Brand

By Colin J. Thurston, B.A., J.D., Trade-mark Agent  
cthurston@carters.ca  
1-877-942-0001

© 2012 Carters Professional Corporation

CARTERS PROFESSIONAL CORPORATION  
TOLL FREE: 1-877-942-0001

Ottawa Toronto Mississauga Orangeville  
www.carters.ca www.charitylaw.ca www.antiterrorismlaw.ca

---

---

---

---

---

---

---

---

2

**A. DOES YOUR CHARITY HAVE A BRAND TO PROTECT?**

**1) What is a Brand?**

- Your brand is your organization's relationship to the public – communication of identity and credibility
- Your brand is what the public *instantly understands* about a product or service once it is identified with your organization
- A brand is most often communicated through visual identifiers including your name, logo, tagline or slogan, being associated with a product or service

www.carters.ca
www.charitylaw.ca

---

---

---

---

---

---

---

---

3

**2) Why is a Brand Important for Charities?**

- The business concepts or purposes of branding are equally applicable to the charitable sector
  - To identify charity as provider of goods and services
  - To distinguish one charity from another
  - To increase goodwill and donor base
  - To create equity and brand value, which can lead to lucrative licensing opportunities

www.carters.ca
www.charitylaw.ca

---

---

---

---

---

---

---

---




---

---

---

---

---

---

---

5

### 3) What Happens to a Poorly Managed Brand?

- Public lacks awareness or interest in the organization
- Slower growth for organization
- Public finds it difficult to contact you
- Unable to police imposters and imitators
- Can lose out on valuable IP assets
  - Domain names
  - Trade-marks
- Can lose existing IP – including name of organization

www.carters.ca      www.charitylaw.ca

---

---

---

---

---

---

---

6

### 4) How can We Build and Protect Our Brand?

- For most charities and other organizations, your brand begins with your name
- Your brand is communicated to the public every time that you *identify* your charity to the public
- Canadian and international laws recognize certain aspects of your brand as protectable forms of *intellectual property*
- Important identifying aspects, such as a name, logo or slogan can be protected according to the law of Trade-marks

www.carters.ca      www.charitylaw.ca

---

---

---

---

---

---

---

## 5) What is a Trade-mark?

- A trade-mark is *any mark* used for the purpose of distinguishing wares (products) and services manufactured, sold, leased, hired or performed from those of others
- A trade-marks can consist of
  - A single word, "iPod"
  - A combination of words, "Red Cross"
  - A logo or symbol, the big "M" in McDonalds
  - A slogan, "I'm Lovin' it"
  - A certain package or container "Toblerone"
  - Even a sound "NBC chimes"

www.carters.ca

www.charitylaw.ca

---

---

---

---

---

---

---

## 6) Examples of Trade-marks for Charities and NFP's

- Trade-marks are not only for businesses. Trade-marks are also used in the non-profit sector, for example:
  - Corporate names: "Heart and Stroke Foundation of Canada"
  - Operating names: "Heart and Stroke Foundation"
  - Logos: "The Panda from World Wildlife Fund"
  - Acronyms: "WWF"
  - Slogans: "Run for the Cure"
- Most likely, examples would also include your organization's name, logos and slogans

www.carters.ca

www.charitylaw.ca

---

---

---

---

---

---

---



www.carters.ca

www.charitylaw.ca

---

---

---

---

---

---

---

10

**7) What is the Legal Impact of Our Trade-marks?**

- Your brand and identity are subject to trade-mark law
- Therefore, a charity, like any other business that has trade-marks, has *legal* rights which enable it to prevent other organizations from using *infringing* trade-marks
- Accordingly, a charity that is using a trade-mark is also subject to the legal rights of other organizations which would allow them to prevent the charity from using an *infringing* trade-mark

[www.carters.ca](http://www.carters.ca)
[www.charitylaw.ca](http://www.charitylaw.ca)

---

---

---

---

---

---

---

11

**8) Infringement and Confusion**

- The key question to determine if there is a possible infringement is whether a trade-mark is causing or is likely to cause confusion with an existing trade-mark
- A trade-mark is not confusing if it distinguishes one's wares or services from another's
- A trade-mark causes confusion with another trade-mark if a consumer who sees both trade-marks would infer that the source of the wares or services associated with those trade-marks is the same

[www.carters.ca](http://www.carters.ca)
[www.charitylaw.ca](http://www.charitylaw.ca)

---

---

---

---

---

---


---

12

**B. PROTECTING YOUR BRAND & TRADE-MARKS**

**1) How do we Protect our Trade-marks?**

1. Search
2. Register
3. Control



[www.carters.ca](http://www.carters.ca)
[www.charitylaw.ca](http://www.charitylaw.ca)

---

---

---

---

---

---

---

13

## C. THE SEARCH

### 1) What is the Purpose of a Trade-mark Search?

- Search for registered trade-marks or other possible obstacles to the registration of your trade-mark
- Discover possible infringement of your trade-mark by another organization
- Determine availability and discover whether there are users of marks similar to or confusing with yours

www.carters.ca

www.charitylaw.ca

---

---

---

---

---

---

---

14

### 2) First Users and Common Law Rights

- At common law and under the *Trade-marks Act*, the first user of a trade-mark is the party entitled to *use* and to *register* that trade-mark
- Trade-mark rights are acquired through use
- The common law provides protection to restrain a competitor from passing off its goods or services under the trade-mark of another
- The cause of action at common law is called a "passing off" action

www.carters.ca

www.charitylaw.ca

---

---

---

---

---

---

---

15

- To prove "passing off" the plaintiff must show:
  - Existence of goodwill
  - Deception / Misrepresentation
  - Damages
- Protects the public and the trade-mark owner
- Common law protection of a trade-mark does not require that the trade-mark be registered, but trade-mark rights at common law are far more difficult to enforce and remedies are limited
- Users of unregistered marks therefore do have rights

www.carters.ca

www.charitylaw.ca

---

---

---

---

---

---

---

### 3) Evaluating Search Results

- Options available if the Search reveals a mark which could be considered to be confusing with yours:
  - Investigate further to determine if there is no conflict with rights of trade-mark owner
  - If there is a likelihood of confusion:
    - Challenge the rights of the trade-mark owner
    - Avoid confusion by rebranding
- Problems are easiest to deal with if they are discovered early, so conduct searches before your new brand or trade-mark is made public

www.carters.ca

www.charitylaw.ca

---

---

---

---

---

---

---

---

### 4) Consequences for Failure to Search

- Masterpiece Inc. v. Alavida Lifestyles Inc.*
- Research in Motion
- Amazon.com

amazon.com



www.carters.ca

www.charitylaw.ca

---

---

---

---

---

---

---

---

## D. PROTECTION THROUGH REGISTRATION

### 1) Registered vs. Common Law Protection

- Registration is the confirmation of common law rights acquired through use
- Sometimes referred to as "perfecting" rights or "crystallization" of rights
- Registration exists because of the *Trade-marks Act*
- The statutory law affirms the common law right and adds to it - *significantly* enhancing rights for a trade-mark that is registered

www.carters.ca

www.charitylaw.ca

---

---

---

---

---

---

---

---

19

## 2) The Advantages of Trade-mark Registration

- Trade-mark registration provides a presumption of a valid trade-mark
- Trade-mark registration provides the exclusive right to use the trade-mark with respect to its goods or services
- The registration is effective throughout Canada
- The registration gives public notice of the trade-mark
- A trade-mark registration can become virtually incontestable in some situations

www.carters.ca

www.charitylaw.ca

---

---

---

---

---

---

---

---

20

## 3) The Race to Register

- The first user is technically entitled, but the first party to file gains a significant advantage in securing rights
- The first person to register may effectively "usurp" the rights of the first user
- Can challenge application through opposition (if you are aware of it)
- Once registered, can only attack validity in Federal Court
- After five years, must prove registrant had knowledge of your earlier use (bad faith requirement)

www.carters.ca

www.charitylaw.ca

---

---

---

---

---

---

---

---

21

## 4) Filing and Prosecuting Trade-mark Applications

- What does a trade-mark application cover?
  - A separate trade-mark application must be filed for each trade-mark
  - However, one trade-mark application can cover both wares and services
  - There is no limit to the number of wares and services that can be included in one application
- A trade-mark application can be based on either existing use or proposed use in Canada

www.carters.ca

www.charitylaw.ca

---

---

---

---

---

---


---

---

22

### 5) Consequences of Failure to Register

- *Masterpiece Inc. v. Alavida Lifestyles Inc.*
- Apple iPad
- "Movember"



www.carters.ca www.charitylaw.ca

---

---

---

---

---

---

---

23

### 6) How do We Protect Our Trade-marks?

- Search
  - Searching early allows you to avoid "stepping on toes" of existing users
- Register
  - Registering immediately allows you to protect against later users or "usurping" registrants

www.carters.ca www.charitylaw.ca

---

---

---

---

---

---

---

24

## E. CONTROLLING TRADE-MARK USE

### 1) By the Owner: Consistency and Frequency

- Use it or Lose it
- Failure to use is grounds for invalidating registration and loss of common law rights
- Register what you use and use what you register
- Implement brand standards and use consistently

www.carters.ca www.charitylaw.ca

---

---

---

---

---

---

---



25

## 2) By Third Parties: Licensing

- The *Trade-marks Act* deems the use of the trade-mark of a licensee to be use of the owner
- There must be a licensing arrangement
- The license arrangement should be in writing
- License must be granted by the trade-mark owner
- Owner must maintain direct or indirect control of the character, quality and use of the trade-mark in association with wares and services

www.carters.ca

www.charitylaw.ca

26

## 3) When is Licensing Relevant to Consider?

- When a charity sets up local chapters and wishes to maintain ownership and control of its trade-marks
- When a charity permits other organizations to use its trade-mark as evidence of membership or to show that standards are being maintained
- When a charity permits its trade-mark to be used in conjunction with an event conducted by others on behalf of the charity
- When a charity is planning to enter into a sponsorship arrangement

www.carters.ca

www.charitylaw.ca

27



**CIBC Run for the Cure**  
CANADIAN BREAST CANCER FOUNDATION

www.carters.ca

www.charitylaw.ca

28

#### 4) General Licensing Considerations

- Scope of license in relation to use, time and geographic territory
- Quality control
- Rights of assignment and sub-license
- Indemnification considerations
- Maintaining confidentiality
- Termination of license agreement
- Effect of termination of agreement

www.carters.ca

www.charitylaw.ca

---

---

---

---

---

---

---

29

#### 5) Policing Unauthorized Use

- Ensure proper monitoring and enforcement of trade-marks
- Monitor infringement by other competing trade-marks, both registered and unregistered
- Protection under the *Trade-marks Act* to enforce rights
- Be pro-active in stopping infringement of a trade-mark, otherwise the trade-mark may be lost by default

www.carters.ca

www.charitylaw.ca

---

---

---

---

---

---

---

30

#### 6) Consequences of Failure to Control

- Section 45
- Loss of distinctiveness
- Ownership disputes - Caribana



www.carters.ca

www.charitylaw.ca

---

---

---

---

---

---

---

31

**7) How do We Protect Our Trade-marks?**

- Search
  - Searching early allows you to avoid “stepping on toes” of earlier users
- Register
  - Registering immediately allows you to protect against later users or “usurping” registrants
- Control
  - Use it or lose it
  - Failure to control now could mean loss of rights later

[www.carters.ca](http://www.carters.ca)
[www.charitylaw.ca](http://www.charitylaw.ca)

---

---

---

---

---

---

---

32

**F. OTHER CONSIDERATIONS**

**1) Take a Portfolio Management Approach**

- Ensure parallel registrations are also secured
  - Corporate name
  - Operating names
  - Domain Names
  - Official Marks and Registered Trade-marks
- Ensure the charity owns copyright in design marks
- Register in all applicable jurisdictions

[www.carters.ca](http://www.carters.ca)
[www.charitylaw.ca](http://www.charitylaw.ca)

---

---

---

---

---

---

---

33

**2) International Considerations**

- Trade-marks are governed independently by every country
- International treaties to promote consistency
- Registration in Canada only protects the mark in Canada
- Co-ordinate launch of a new brand in order to maintain control at early stages
- 6-month priority period allows you to claim filing date of first trade-mark application for subsequent foreign applications

[www.carters.ca](http://www.carters.ca)
[www.charitylaw.ca](http://www.charitylaw.ca)

---

---

---

---

---

---

---

34

### 3) Trade-marks and Domain Names

- Trade-mark registration can also assist in protecting a domain name on the internet from cyber squatting
- But domain names are registered on a first-come first-served basis, and many parties may have a legitimate interest in the same domain name
- Trade-mark will not always trump an infringing domain name registration
- Be proactive and register domain names as early as possible

www.carters.ca
www.charitylaw.ca

---

---


---

---

---

---

---



BARRISTERS  
SOLICITORS  
TRADEMARK AGENTS

## Disclaimer

This handout is provided as an information service by Carters Professional Corporation. It is current only as of the date of the handout and does not reflect subsequent changes in the law. This handout is distributed with the understanding that it does not constitute legal advice or establish a solicitor/client relationship by way of any information contained herein. The contents are intended for general information purposes only and under no circumstances can be relied upon for legal decision-making. Readers are advised to consult with a qualified lawyer and obtain a written opinion concerning the specifics of their particular situation.

© 2012 Carters Professional Corporation

CARTERS PROFESSIONAL CORPORATION

TOLL FREE: 1-877-942-0001

Ottawa Toronto Mississauga Orangeville

www.carters.ca www.charitylaw.ca www.antiterrorismlaw.ca

---

---

---

---

---

---

---